

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI

C O N F I D E N T I A L STATE 130671

STADIS////////////////////////////////

E.O. 11652: GDS

TAGS: MASS, ETRD, IN

SUBJECT: SALE OF BURROUGHS COMPUTER SYSTEM TO HYDERABAD
DEFENSE RESEARCH AND DEVELOPMENT LAB (DRDL)

1. THE BURROUGHS CORPORATION SUBMITTED AN APPLICATION MORE THAN A YEAR AGO TO EXPORT A COMPUTER SYSTEM TO THE DEFENSE RESEARCH AND DEVELOPMENT LAB IN HYDERABAD, INDIA. SEVERAL AGENCIES, HOWEVER, EXPRESSED CONCERN THAT THE DRDL, WHICH CONDUCTS CLASSIFIED RESEARCH, MIGHT USE THE BURROUGHS COMPUTER TO DEVELOP A MISSILE DELIVERY SYSTEM CAPABLE OF CARRYING NUCLEAR WARHEADS. APPROVAL OF THE SALE HAS BEEN MADE CONTINGENT ON THE RECEIPT FROM THE GOI OF A STANDARD STATEMENT THAT THE COMPUTER WILL NOT BE USED FOR NUCLEAR WEAPONS DEVELOPMENT OR RELATED PURPOSES. THIS ASSURANCE, HOWEVER, IS APPARENTLY REGARDED BY AT LEAST SOME GOI OFFICIALS AS POLITICALLY SENSITIVE AND NO REPLY IS NOW
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EXPECTED FROM THE INDIAN GOVERNMENT. WE ARE CURRENTLY CONSIDERING WAYS AND MEANS TO OVERCOME INDIAN RELUCTANCE TO ACCEDE TO OUR REQUIREMENTS AND THUS PERMIT APPROVAL OF THE BURROUGHS COMPUTER SYSTEM SALE.

2. BURROUGHS ASSERTS THAT THIS SALE IS ESSENTIAL TO THEIR MARKETING STRATEGY FOR INDIA AND HAS LOBBIED INTENSIVELY

WITH THE DEPARTMENT AND PERHAPS OTHER AGENCIES TO SECURE

APPROVAL OF THE EXPORT LICENSE APPLICATION. LAST MONTH THE PRESIDENT OF BURROUGHS WROTE THE DEPUTY SECRETARY TO REQUEST RECONSIDERATION OF OUR LONGSTANDING REQUIREMENT FOR FORMAL ASSURANCES FROM THE INDIAN GOVERNMENT THAT SUCH A COMPUTER SYSTEM WOULD NOT BE USED FOR NUCLEAR WEAPONS DEVELOPMENT OR RELATED PURPOSES. BURROUGHS ARGUED THAT PRIME MINISTER DESAI'S POLICY OF DEVELOPING NUCLEAR POWER SOLELY FOR PEACEFUL PURPOSES CONSTITUTED SUFFICIENT GUARANTEE THAT THE EQUIPMENT WOULD NOT BE USED FOR ANY RESEARCH CONNECTED WITH THE DEVELOPMENT OF NUCLEAR WEAPONS. IN RESPONSE, WE REITERATED OUR POLICY, WHICH WAS PREVIOUSLY EXPLAINED IN SOME DETAIL TO THE BURROUGHS VP FOR MARKETING, AND POINTED OUT THAT MANY COUNTRIES HAD AGREED TO PROVIDE REQUIRED AND STANDARD ASSURANCES.

3. THE MOST RECENT CORRESPONDENCE BETWEEN THE DEPARTMENT AND THE GOI ON THIS ISSUE IS A LETTER OF 10/22/77 FROM DEPUTY ASSISTANT SECRETARY DUBS TO INDIAN EMBASSY OFFICER DIXIT, REQUESTING THE FOLLOWING STATEMENT FROM THE INDIAN GOVERNMENT: QUOTE. IT IS UNDERSTOOD THAT THIS COMPUTER WILL NOT BE USED IN THE DESIGNING, DEVELOPING OR FABRICATION OF NUCLEAR WEAPONS, NUCLEAR EXPLOSIVE DEVICES OR DELIVERY SYSTEMS OR IN DEvising, CREATING OR EVALUATING NUCLEAR WEAPONS TESTS AND EXPLOSIVES OR NUCLEAR DELIVERY
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SYSTEMS. END QUOTE. THE INDIAN EMBASSY, AS EXPECTED, HAS NOT RESPONDED TO THIS LETTER.

4. AS A FIRST STEP, WE SUGGEST EMBASSY NEW DELHI DISCUSS REQUIRED STATEMENT WITH APPROPRIATE MEA OFFICIALS AND POINT OUT THAT WE HAVE NOT SOUGHT TO SUBJECT GOI TO ANY EXCEPTIONAL REQUIREMENTS.

5. FYI - IF THIS APPROACH FAILS TO BUDGE INDIANS, WE ARE CONSIDERING THE POSSIBILITY OF SEEKING INTERAGENCY AGREEMENT TO REVISE LANGUAGE ALONG LINES OF: QUOTE. IT IS UNDERSTOOD THAT THIS COMPUTER WILL BE USED FOR NO OTHER PURPOSE THAN TO X. END QUOTE. REVISION OF THE STATEMENT WE REQUESTED FROM THE GOI PRIOR TO A RESPONSE FROM THE INDIANS, HOWEVER, POSES A HOST OF PROBLEMS, NO LEAST OF WHICH IS THE PROBABLE LOSS OF CREDIBILITY SHOULD WE WISH TO REVERT TO THE "WILL NOT" STATEMENT AT A LATER DATE ON ANOTHER SALE. WE ARE RELUCTANT TO CONSIDER THIS SECOND APPROACH, BUT WOULD APPRECIATE EMBASSY'S RECOMMENDATIONS FOLLOWING DISCUSSIONS WITH GOI OFFICIALS. VANCE

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